

## **Questions For the Record for HHS Secretary Leavitt**

### **Question from Mr. Van Hollen**

Mr. Secretary, in your written testimony before the Committee, you briefly discuss the FY 2009 budget for the National Institutes of Health (NIH). You state the overall FY 2009 budget for the NIH will be the same as FY 2008. This continues a disturbing trend by the Administration of flat-funding the NIH since the successful five year doubling of the NIH budget ended in 2003. By flat-funding the NIH budget, it does not keep up with medical inflation and will cause the NIH to lose the momentum and innovation it has gained in finding new treatments and cures for many diseases. And we will forfeit the opportunity to make important and cost-effective advances in many areas of health. NIH Director Elias Zerhouni recently expressed his concern about continued flat funding of the NIH at a November 2007 medical research conference sponsored by PhMRA and Research! America, and I quote, “What’s the sense of saying you really want to double research, and then cut it every year by a little bit, little bit, a little bit?” Can you explain why the Administration proposes to yet once again flat fund the budget for NIH in light of the concerns expressed by its Director?

### **Questions from Ms. Schwartz**

#### *Comparative Effectiveness funding*

Many experts in budgets and health care declare that “Comparative Effectiveness Research” will help us reduce health care costs and improve outcomes. I agree, and think that comparative effectiveness research holds a lot of promise. Based on the economic report from the Administration this week, it appears that you agree:

“One of the key impediments to more effective health care delivery is a lack of relevant information—for patients, providers, and payers—on the comparative effectiveness and efficiency of health care options. Such information would be particularly useful for services that are in common practice, generate high costs, employ rapidly changing technologies for which multiple alternative therapies exist, and are in areas with substantial uncertainty. The wide geographic variations in the use of procedures suggest that better information on the effectiveness of different styles of medical practice could result in substantial cost savings.”

Why then would the President’s budget cut funding for comparative effectiveness research and the Agency for Health Research and Quality (AHRQ) by \$9 million?

#### *Electronic Prescribing*

On the issue of cost-savings in Medicare, as you may know, I am an avid supporter of electronic prescribing. Wide-spread use of e-prescribing has the potential to save hundreds of lives and produce billions in savings. In fact I have proposed legislation to promote wider use of electronic prescribing in Medicare. I would have hoped that your

administration would have taken this sort of approach to proposed reforms to Medicare in the budget recommendations, as opposed to across the board cuts. Does the administration agree that there is indeed a need for providers in Medicare to come up to speed with technology and incorporate technologies like e-prescribing into their everyday practice?

### *Medicare Hospital Cuts*

There is consensus among health financing experts that Medicare's long-term financial sustainability must be addressed with thoughtful and comprehensive reform. Yet, the cuts to providers included in the President's budget proposal suggest he was neither thoughtful nor thorough in his recommendations, and specifically with hospital reimbursement.

Hospitals in my district, which depend on Medicare, are working on razor thin margins already. If we implemented the President's budget recommendations, hospitals in Southeast Pennsylvania alone stand to lose will face cuts of \$226 million in 2009, and \$2.1 billion over the next five years – these just aren't sustainable given the populations we serve.

Isn't it likely that freezing payment rates will merely lead these hospitals to find ways to shift costs to other payers? Did the Administration conduct any rigorous analysis of how these hospital cuts would affect access to care and the potential of hospitals having to shut their doors?